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workers to make employer-matched contributions to a tax-deferred savings plan.

Compared with the retirement system that previous federal workers have enjoyed, the proposed system would provide less generous early retirement features and less complete inflation protection. On the other hand, it would provide superior disability and survivors' benefits, and much better benefit "portability" for the many workers who now sacrifice all benefits when they leave federal service for the private sector. And for the taxpayer the plan would offer substantial future savings.

A final deft addition to the plan, which alleviated union concerns and secured solid bipartisan support in the committee, would give workers an additional option. By agreeing to pay a small extra contribution, and by sacrificing some employer matching of thrift-plan savings, workers could choose to have more complete inflation protection at earlier retirement ages. The total cost of the plan would be unaffected.

The administration has remained officially opposed to any plan that does not seriously undermine pension protection for federal workers. That's not a useful position. Federal pensions have been over generous and poorly designed. Congress was right to cover new federal workers under Social Security and require that a new, coordinated pension system be developed for them. But federal workers, as able Cabinet members and lesser officials will confirm, do much important work for this country from policing air traffic safety and environmental hazards to processing tax returns and Social Security benefits. A decent though responsible pension system is needed to attract and hold quality workers. The committee's plan is an excellent start in that direction.

Mr. ROTH. Mr. President, it is normally the policy for the chairman of the committee to manage the bill, but I have asked my good friend and colleague, the distinguished Senator from Alaska, to undertake that responsibility. I do so because I think we are all deeply indebted to his leadership, to his imaginative approach and his persistence in working for an excellent pension plan for the Government employees.

Again, in closing, I want to again pay my special thanks and appreciation not only to Senator STEVENS, but to Senator EAGLETON and Senator GORE as well as all members of the Governmental Affairs Committee for their willingness to work together in a bipartisan way to hammer out a new pension program that I personally believe will help ensure that we attract the kind of excellent employees we want to be part of the public sector.

Mr. EAGLETON addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. EAGLETON. Mr. President, I, too, wish to thank some people that have been very, very active participants in this bill. Before he leaves the floor I especially want to thank the chairman of the full committee, Senator ROTH of Delaware.

This bill has not been an easy one to craft but with his leadership as the chairman of that committee we were able to do a job in which all 13 members of the committee could agree.

That is most unusual around here, especially on a subject that can be classified as controversial. But for his patient guidance of this measure, we would not be in this unanimous posture today. I thank him most kindly.

Mr. ROTH. I thank the Senator.

Mr. EAGLETON. Of course, I thank Senator STEVENS, who has labored for years in this vineyard. Senator STEVENS was the first Member of the Senate a long, long time ago to face up to the reality that there was going to be, like it or not, a new civil service retirement system, and that like it or not, not everybody would agree with it. And it would not be identical to the system that was then on the books.

During this period of time he was pretty much alone in terms of trying to craft and formulate a new bill, because, I repeat, it was controversial. But he persevered and he persevered. And thus we are where we are today through his efforts.

On my left is one of the new Members of the Senate, Senator GORE of Tennessee. When he came on the Governmental Affairs Committee, the one subcommittee assignment that no one wanted was the Civil Service Committee. Why did no one want it? Because that subcommittee would have within its jurisdiction the duty of formulating this new plan—a hot potato.

Yet, without griping or grouching he took that assignment, and threw himself into the substance of this effort, and a large portion of this bill before us today is the handiwork—the substantive, prudent handiwork—of Senator GORE.

Those are some of the lead players. There are some other players that do not get much credit because they do not have a title like Senator or chairman or ranking something or other. They do most of the work. They are the ones that work weekends and nights while the Senators make some basic fundamental decisions. But they have to work it out in real statutory ways.

There are five in particular that I want to mention that have devoted, I think in the aggregate, thousands of hours to this endeavor. They are all here on the floor. I think they all need to be recognized. Jamie Cowen of Senator STEVENS' staff; John Duncan, Senator ROTH's staff; Margaret Cranshaw of my staff; Peter Lynn, on loan to us from the General Accounting Office; and I thank Mr. Bowsher for that because I do not think we would have a bill today but for his excellent work; and last but by no means least, Thurgood Marshall, Jr., of Senator GORE's staff.

All of these individuals, as I say, devoted thousands of hours to putting this bill in the fine shape that it is in today. Let me now proceed to my prepared remarks.

Mr. President, the bill before us today, the Federal Retirement Reform Act of 1985, S. 1527, represents the culmination of nearly 3 years of work

by the Governmental Affairs Committee and the individuals heretofore mentioned. The task of structuring a totally new retirement system for Federal employees hired after January 1, 1984, has been formidable. Indeed, never in my 17 years in the Senate have I seen an issue as complicated.

Our committee was directed by the Social Security Amendments Act of 1983, Public Law 98-21, to establish a new Federal retirement system for civil service employees—the first since the original system was founded in 1920. Prior to 1984 civil servants had never been in Social Security. Now every Federal employee hired after January 1, 1984, is subject to the 7-percent Social Security withholding.

They are also temporarily covered by the current civil service retirement system—a system designed for employees not covered by Social Security. The Congress was given until December 31, 1985, to formulate a new plan which would provide retirement income for Federal employees with Social Security as the basic benefit.

Mr. President, I believe that we will make the deadline—a deadline which often seemed impossible and one which most betting men would have given, at best, a 50-50 chance in 1983. I take a great deal of pride in the fact that this bill has actually reached the floor today and seems assured of passage.

I want to emphasize that while this matter has been guided by the Republican leadership, it has never been a partisan issue. Throughout those nearly 3 years the committee has worked as a bipartisan and cooperative unit. The committee's unanimous vote at its October 2, 1985, markup reflects the success of our bipartisan approach to what is essentially a good government issue—a fair, equitable, and well-designed retirement plan for all Federal employees—Members of Congress, doctors, astronauts, secretaries, firemen, policemen, file clerks, custodians, and all of the myriad of Federal personnel. Obviously there were political differences on some of the key issues, but in the interest of the whole, and based on the crucial need for the Federal Government—the largest employer in the world—to have a working retirement system, both sides gave a little here and a little there. Mr. President, this compromise process worked.

What we have before us today is a bill sponsored not only by Senators ROTH and STEVENS, but a bill sponsored by Senators ROTH, STEVENS, EAGLETON, GORE, CHILES, NUNN, GLENN, LEVIN, DURENBERGER, MATHIAS, COHEN, and COCHRAN. An unfortunate mistake left most of our names off the printed document.

I emphasize this strong bipartisan sponsorship, Mr. President, because on a major issue such as this, such bipartisan support is unique in this Congress—a Congress that when facing major issues agrees on nothing and

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agrees to nothing. Therefore, as ranking minority member on the Governmental Affairs Committee, I am intensely proud of the committee's work on this measure. We were given a problem to solve, we solved it, and we met our deadline.

Now, let me turn a bit to what that has entailed. The committee effort spanned research covering subjects as diverse as macroeconomics, surveys of pension practices in the private, non-profit, and State and local government sectors, the philosophy behind what a pension plan should be—both for an employer's cost and management concerns, as well as the employee's benefit package—and the statistical and actuarial bases which ultimately govern all assumptions or goals upon which a pension plan is designed.

Mr. President, I know that when I leave the Senate, my memory of this particular legislation will be one of numbers and charts, more numbers and more charts, and still more numbers and still more charts. Frustratingly, it is almost impossible to understand this legislation unless you get into the numbers and charts, so I have concluded, as I believe have Senators STEVENS, ROTH, and GORE that in fairness to our colleagues, we will not subject the Senate to lengthy explanations of what lies behind much of the bill.

The basic provisions of the bill have been thoroughly detailed in the statement of my esteemed colleague from Alaska, and pages 126 to 127 of the committee report provide a clear summary of the bill in chart form. Also of interest to my colleagues will be pages 118 to 125 of the committee report, which again in chart form, provide a comparison of the present Civil Service Retirement System and the new plan. It is the committee's expectation that many Federal employees, including Members of Congress, will find the new plan so attractive that they will want to transfer in. While this legislation changes nothing in the current plan, and I emphasize the word nothing, it does allow that transfer option.

It may surprise many of my colleagues that the committee finds the new plan so appealing that it expects numerous employees to transfer. This is particularly surprising since the cost of the new system is 21.9 percent of payroll, while current civil service retirement costs about 25 percent of payroll. If the plan will cost the Government less, how could individuals find the plan more attractive?

The answer, Mr. President, lies in how the money is distributed. The Federal Government now spends \$16.5 billion a year on civil service retirement costs. The new system will cost about \$14 billion a year, a substantial savings, and in long-run budgetary terms, a massive savings.

Under the current plan the bulk of the money is going to long career, high-income wage earners. The current defined benefit plan, which is

based on a formula of years of service, times high 3 years of salary, times 2 percent, guarantees generous annuities to those who work a substantial portion of their careers in Government and earn at the top of the Federal pay scale. Senators and House Members are treated with great favoritism under the current system. This favoritism for Members of Congress, Mr. President, has been eliminated in the new plan. That saves the Government money, and the system is more equitable for everyone.

But eliminating favoritism for Members of Congress is only one place the new plan saves money. The far more important savings come from the new plan's basic structure—a structure known as a three-tiered plan.

With Social Security as the base tier, the new plan provides as a second tier a defined pension benefit, which is much like the current system's only less generous, and a third tier, which is known as a capital accumulation, thrift, or defined contribution provision. In essence, this "capital accumulation plan or, "CAP" as we've come to call it, allows each individual employee the option of saving a portion of his or her salary, with the Government matching that savings up to a certain level. Basically the "CAP" is similar to an Individual Retirement Account (IRA), Keogh, or 401(k) plan in the private sector.

If the employee leaves Government, he takes his savings, plus his Government match, with him. The money must be rolled-over into a qualified retirement plan, a retirement annuity or an IRA, but the money is the employee's. Under the current civil service retirement system only about 25 percent of those ever covered by the plan receive any annuity. The other 75 percent leave Government, take out the cash they have contributed, but receive nothing else from their years of Federal service.

The buzz word for the advantage the "CAP" plan gives employees is "portability." Today's workforce is increasingly mobile, it contains thousands of working women, many of whom move in and out of jobs as they take time out for family responsibilities, and it is highly competitive in the managerial, technical, and professional areas. "Portability" is attractive to all these groups. The private sector has long had portability features in its best retirement plans; this feature will help the Government compete for the people we need and want to attract.

I must emphasize, however, that the "CAP" portion of the bill actually represents only 3 percent of the total cost. The remaining 18.9 percent is divided between Social Security (5.9 percent) and the defined benefit (12.9 percent). This is extremely important to the Democratic side of the aisle. While the Democrats on the committee agreed with the "portability" feature and felt strongly that it will be attractive to today's worker, we felt

equally strongly that the Federal Government must, like any responsible employer, guarantee all its employees a retirement annuity that is substantially above Social Security's basic benefits.

There are retirement plans that depend totally on capital accumulation provisions, and in those instances where the employee cannot or does not contribute, the retirement income is only Social Security. That should never happen to a Federal worker who has worked enough years with the Government to be eligible to retire. As a nation we must protect those at the lower end of the income ladder, those who simply cannot afford to contribute to a "CAP" plan, and we must also provide some guaranteed economic incentive (deferred salary if you will) to our best, most loyal, and longest-term employees.

It is along these lines that the committee compromised. Democrats pushed for a larger defined benefit provision; Republicans sought a larger capital accumulation provision. As Senator STEVENS will point out, our final compromise was a two-option plan. Those who want a system weighted for a "CAP" plan can choose option A; those who want more from their defined benefit can choose option B. There are some problems with the option approach: Should an employee be forced to make such an important decision when he or she is young and just entering government? Will so many choices prove an administrative nightmare? Will it be clear to employees that either option offers a fair retirement plan, but that one may be more suitable to their own individual needs? If they understand that, will they make the right choice?

Personally, Mr. President, I do not have the answer to those obvious problems, but I am convinced that either option A or B will provide a solid, fair, and generous retirement plan. Also, it is very important to note that both option A and option B cost the same to the Federal Government, 21.9 percent of payroll.

Like health plans, pension plans today come in so many varieties, shapes and sizes that it proved impossible for the committee to agree to one single plan that was right for all Federal workers. The multitude of health plans work; I expect the two-option pension plan will work also. I do know that the two options represent the ultimate in fairness.

Finally, Mr. President, I wish to make some comments about pensions and pension planning in general.

When the Governmental Affairs Committee first commenced work on this legislation, I had three goals: (1) meet the December 31, 1985 deadline; (2) provide equitable benefits across the work force, and (3) cover military personnel. Unfortunately we failed on goal number 3. The Governmental Affairs Committee does not have juris-

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diction over the military, and early on it was crystal clear that if Governmental Affairs attempted to convince the military that it should become part of the Federal Government's retirement system, the bill would be dead before we started. Interestingly, the Governmental Affairs Committee does not have jurisdiction over the Foreign Service or the Central Intelligence Agency, either, but as the amendments to S. 1527 show, those groups are going to cover their employees' with the new plan. The two groups will be granted the same special benefits S. 1527 provides for such groups as law enforcement officers and firefighters.

It is my hope that the military will ultimately be covered by the new plan. There is simply no justification for the special pension treatment that this Nation accords the Department of Defense.

You remember, Mr. President, I noted earlier that the cost of the current civil service retirement system—that is the one that is on the books now—is about 25 percent of payroll. The cost of the current military system—listen to this, Mr. President—is 52 percent of payroll. It is incredible. It is so huge, it is hard to imagine.

I repeat: the civil service retirement system costs 25 percent of the payroll; the military retirement system: 52 percent of payroll. I predict, Mr. President, that some day—it may not happen in this century, but maybe toward the end of this century, the Department of Defense is going to have to make a hard decision between guns and pensions. I predict that the pension system of the military will so overwhelm the budget of the Department of Defense, that it is going to have to make some very difficult decisions. Quite frankly, those difficult decisions should have been made right now, and the military should have been in this bill, which is 21.9 percent of payroll. But as I said, Governmental Affairs does not have jurisdiction over that subject matter, and had we attempted to capture it by some clever ploy or other, the whole bill would have gone down the tube.

But we're willing to help on the military problem. Our committee has computer programs, cost analyses, data comparisons, and any other imaginable kind of pension information, which we would gladly loan to our armed services colleagues so they can focus on this crucial issue.

Since our committee has spent nearly 3 years studying every aspect of pensions, there is no need for armed services to re-invent the wheel.

In fact, Mr. President, I would be personally happy to consult with them. Either fortunately or unfortunately, I have, through my original committee assignment 18 years ago to the Committee on the District of Columbia, and now as ranking on Governmental Affairs, learned more than I ever wanted to know about pensions. In

1979 our committee handled the DC Retirement Reform Act, which I remember as numbers and charts and more numbers and charts. All those numbers and charts established a mental basis for all the numbers and charts behind today's legislation. I think they'll be with me for life.

In light of that background, I can authoritatively say that the Federal Retirement Reform Act of 1985 establishes a system, which in combination with Social Security, is rationale, equitable, and affordable, and a system which will very likely be a model for retirement plans far into the future.

Mr. President, once again, I thank my colleagues, Senator ROTH, Senator STEVENS, and Senator GORE, for their exemplary work on this very difficult and complex bill.

Mr. STEVENS addressed the Chair. The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, I am pleased that my good friend, the Senator from Missouri [Mr. EAGLETON] has spoken on the bill, because, in truth, despite the things that have been said today so far, we would not have this bill before us today had it not been for the attitude that Senator EAGLETON has demonstrated, an attitude of dedication to good government. I am one who hopes that Professor EAGLETON will use this whole bill as a study for his students as he goes to a new career.

This bill establishes a supplemental retirement plan for Federal workers hired beginning January 1, 1984, who are covered under Social Security. The need for this bill, of course, came about as a result of the 1983 Social Security Amendments which first brought Federal employees into Social Security. However, the development of the retirement plan actually began long before 1983. In fact, it was the early part of this decade when we began to see the need for alternative Federal retirement plans because of spiraling costs and also began to anticipate the inevitable inclusion of Federal employees under Social Security. Today I feel that we have reached an important milestone in a very long journey.

During my years of service in Government, I have witnessed few, if any, issues which have commanded the degree of analysis, level of study and amount of time of this piece of legislation. It's practically unprecedented in my experience here in the Congress.

In the late 1970's and early 1980's I began studying the changing demographics of our society, in particular the proportion of workers versus retirees into the next century. I became troubled about the tremendous financial burden this could impose upon the Government and future generations. I was equally concerned about the need to provide adequate retirement income and financial security for retirees.

Then there was this issue of covering Federal workers under Social Security.

Since Social Security began in 1935, the issue of covering Federal employees had come up from time to time. In 1980, the Universal Coverage Study recommended inclusion of Federal employees under Social Security. Then in 1981, the President established the National Commission on Social Security Reform to study the problems of Social Security financing. One alternative was to cover Federal workers. By 1981, I knew it was only a matter of time before we needed a new Federal retirement system.

In 1981, we requested the Congressional Research Service [CRS] to do a study of alternative designs for Federal retirement programs. In December of that year, CRS issued a report, outlining four options to coordinate a new Federal retirement plan with Social Security. Based on that report, in the fall of 1982, I introduced S. 2905, a three-tiered Federal retirement plan based upon Social Security. Although the bill was not acted upon, 6 months later new Federal employees were covered by Social Security. This forced us to tackle the problem of establishing a new Federal plan.

We have commissioned study upon study about Federal retirement issues, including those by the Congressional Research Service and the General Accounting Office.

Mr. President, I want to thank both of those agencies for the great cooperation they have given to us throughout this whole continuum. We have consulted extensively on retirement plan design issues with experts from the private sector. This was highlighted by the series of five Federal pension forums held in 1984 to discuss the types of retirement plans successfully used in private industry and State and local governments.

We had several objectives in mind in designing this system. First of all, we needed a plan which would supplement and be compatible with Social Security—the cornerstone of the retirement plan. We wanted a plan which would provide a package of retirement benefits for our Federal work force comparable to their private sector counterparts. This includes the employee's financial security during retirement, survivor benefits, and protection from disability.

It was important that Federal retirement benefits be attractive enough to enhance recruitment of top notch candidates for Federal jobs, including key managerial positions. We sought a plan which would allow for greater movement in and out of the Federal work force at all levels and during all career phases through portable benefits. Providing various options for our Federal employees in retirement planning was also a key design consideration. Finally, we desired a retirement plan that could do all of this but be financially stable and fully funded at a reasonable cost to the Government.

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With S. 1527, I honestly believe we have achieved all of that. We have borrowed from the best of private industry, adopted features of very successful systems, and created some parts on our own to come up with what I believe is a "state-of-the-art" retirement plan which will most certainly serve as a mode for others.

The plan is three-tiered, a very common and successful design used in private industry. The first tier is Social Security, which provides the basis of retirement income, disability protection, and survivor benefits. The second tier is the basic annuity plan, which is noncontributory on the part of the employee. The final tier is the thrift savings plan, which provides for tax deferred investments through voluntary employee contributions matched in part by the Government.

The basic annuity plan, or the second tier, is added on rather than integrated with Social Security. This is a departure from usual private industry practice, which is to integrate pension plans to counterbalance the necessary Social Security tilt toward lower income workers. We selected this approach for a couple of reasons. Because of the complexity of integrated plans, they are sometimes difficult to explain to employees. With a retirement plan as large as this one, and given the size of the Federal work force, the simplicity of an add-on plan was appealing. Another important consideration was that we expect higher income employees to participate to a greater degree in the thrift plan than the lower income group, which serves to flatten the tilt. Although we believe lower income employees will contribute to the thrift plan, this add-on approach lessens the need of these employees having to participate to achieve adequate retirement benefits.

The annuity computation formula under the basic plan is backloaded as in the current retirement system. This gives greater weight to later years of employment, thereby encouraging career service. The annuity formula is less generous than the current system. However, this annuity is meant to supplement Social Security.

The provisions of the basic annuity plan were designed to parallel Social Security where possible. For example, the age for full retirement under S. 1527 is 62, which is the age at which Social Security is first payable. This is also the most common age for full retirement in private industry. However, in keeping with our goal of providing greater career flexibility and employee choice in retirement planning, S. 1527 allows employees to retire at age 55 with 10 years service on a reduced annuity. Under another option in the bill, which I will discuss later on, employees may make an additional contribution to enable them to purchase the right to retire at 55 with 30 years service with no reduction.

Cost-of-living adjustments (COLA's) under the basic annuity plan are also keyed to Social Security. Under the basic provisions of S. 1527, cost-of-living adjustments to annuities would begin at age 62, when Social Security is payable, and would be equal to the Consumer Price Index minus 2 percentage points. At 67, the eventual age for full Social Security retirement, the COLA would equal the CPI. Again, under the second option of the plan to be discussed later, employees could choose earlier and more extensive protection against inflation through making an additional contribution. In the private sector, COLA's are typically made on an ad hoc rather than regular basis and generally amount to something less than the full CPI.

Under the basic annuity plan, we have made special provisions, as under the current system, for law enforcement officers, firefighters and air traffic controllers to enable them to retire at age 50 with 20 years service or with 25 years at any age. We provide for an annuity supplement, approximately equal to the Social Security benefits, from retirement to age 62, when the Social Security benefit begins.

The third tier of the retirement system, the thrift savings plan, is one of the most innovative portions of the bill. This offers to the general Federal work force, for the first time, an attractive option available to many private sector employees. Until now only a few Federal organizations, such as the Tennessee Valley Authority, the Federal Deposit Insurance Corporation, the Federal Reserve Board, and the Comptroller of the Currency, included thrift savings plans in their retirement systems. These plans are very popular among employees at all income levels because of the matching employer contribution and the tax deferral on contributions and earnings. Thrift plans are likewise popular with employers because the costs are known from year to year and they do not add to some future compounded liability for pension costs. I believe it is imperative that we offer the privileges of thrift savings plans accorded to private sector employees to our Federal work force and that the Government as an employer benefit from the tremendous long-run savings of thrift plans.

The thrift savings plan will be managed by the Thrift Investment Board, which consists of Government officials and two employee representatives appointed by the President. This Board will have broad oversight and policy making responsibility with the more direct day-by-day management being handled by the Executive Director, who is appointed by the Board. Employee input and representation would come through the Employee Advisory Committee, with members elected by participants in the thrift plan.

Employees can contribute up to 10 percent of their pay with the Government matching the first 5 percent

dollar-for-dollar. They can choose from among three investment funds—Government securities, fixed income, and common stock index fund. Having a limited number of funds in the thrift plan has been a successful practice in private industry and popular among employees. Employees would have the option of changing funds and contribution amounts yearly.

With a thrift fund of this size and scope for the Federal work force, concern about the role of the Federal Government in operating this fund and its effect on the market is understandable. We have designed funds which are essentially self-managed and do not require extensive day-to-day investment decisions. Board members are prohibited by law from making specific investment decisions and from directing the Executive Director to make specific investment decisions. In addition, S. 1527 includes fiduciary obligations, enforcement provisions, and penalties which apply to private plans under the provisions of the Employee Retirement Income Security Act.

As mentioned earlier, S. 1527 offers two major retirement plan options to employees. Because of the diverse, large Federal work force, we thought it was important to provide alternatives to meet the needs of a wider range of employees. The basic plan provisions as described above apply to option A. Under option B, employees can elect to make a higher contribution of 7 percent, which would go to the old age, survivor, and disability portion of the Social Security tax up to the taxable wage base and the remainder to the retirement fund. Under option B, the employee match for the thrift plan would be different. Employees could contribute up to 10 percent of pay with the Government matching up to 6 percent as follows: for the first 1 percent, the match would be dollar-for-dollar; for the second and third percentage points, the match would be \$0.50 per dollar; and for the fourth to sixth percentage points, the match would be \$0.25 per dollar. In other words, the match would be 2.75 percent for the Government per 6 percent for the employee.

Under option B, the additional employee contribution, combined with employer savings from the reduced match in the thrift plan, enables the employee to purchase retirement at 55 and 20 with unreduced benefits. It also provides the employee with enhanced COLA's. Under option B, retirees at age 55 would have their annuities adjusted by the CPI minus 2 percentage points. At age 62, the COLA would equal the full CPI.

This plan provides disability benefits which are better than those under the current system. The bill establishes a separate long term disability (LTD) insurance plan self insured by the Federal Government but with benefits and services provided by a third-party

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administration. The plan will use two categories of disability—the Social Security definition and the civil service definition of occupational disability. For employees who become disabled, payment during disability is equal to 60 percent of his or her average salary offset by 100 percent of any Social Security benefit. After 1 year, if the employee does not meet the Social Security definition, but is considered occupationally disabled, the benefits are reduced from 60 percent to 40 percent of average pay. For Social Security disabled employees, the 60 percent benefit continues. When disabled employees reach retirement age, they roll over to the regular retirement rolls—for occupationally disabled, at 55 and for Social Security disabled at 62.

The survivor benefits under this plan nicely supplement those offered under Social Security. Benefits for surviving children up to age 18 are paid by Social Security, not under this bill. The bill offers supplemental death benefits—both for preretirement death and post-retirement death. In the case of the death of a worker, the survivor annuity would be payable upon death.

The benefits of S. 1527, when combined with Social Security, offer comprehensive retirement, survivor and disability coverage comparable and, in many cases, superior to the current retirement system. Yet, the cost of S. 1527 is 21.9 percent of payroll compared to the 25.2-percent cost of the current system. I believe package in this bill is a very good deal for both employees and the Government.

During the past 4 or 5 years in working on this bill, we spent a tremendous amount of time. We've talked a lot, listened a lot, drafted a lot, and redrafted even more. However, I have not been alone in this undertaking. In fact, I could not have done it alone. I would like to thank my colleagues, Senators ROTH, EAGLETON, and GORE, for their tireless efforts, invaluable assistance, and deep commitment to getting this retirement bill to where we are today. I would also like to express my appreciation to the other members of the Committee on Governmental Affairs for their cooperation, interest, and help on this retirement plan. This bill is the result of a truly cooperative and bipartisan effort.

Mr. President, I would say that it is unquestionably a monument to one person on the floor today, and that is my assistant, Jamie Coven, who has worked with me through this whole period and is probably now the greatest expert we have in the field of governmental pensions and retirement systems. He has agreed to stay on the staff, as a matter of fact, until the bill is completed. He actually retired from our staff 2 years ago, but he decided that he would stay and work with us until the bill was finished.

I think it is an amazing thing that we are here on the floor of the Senate today with a bill as monumental as

this one is, with this tremendous bipartisan support and with no controversial amendments. It is a tribute to the staffs on both sides and to those who have worked with us in a tireless manner that we have no controversy to present to the Senate in the area of this new retirement system for Federal employees.

Mr. President, I think the Senate as a whole can take great pride in the fact that we can still work on a matter in the public interest in a nonpartisan manner and for the best interests of all concerned.

EXECUTIVE SESSION

The PRESIDING OFFICER. Under the previous order, the hour of 1:50 p.m. having arrived, the Senate will now go into executive session to consider the nomination of Alex Kozinski to be U.S. circuit judge for the ninth circuit, on which there shall be 10 minutes of debate to be equally divided and controlled, with the vote on the nomination to occur at 2 p.m.

THE JUDICIARY

NOMINATION OF ALEX KOZINSKI OF CALIFORNIA, TO BE U.S. CIRCUIT JUDGE FOR THE NINTH CIRCUIT

Mr. STEVENS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I rise in favor of the nomination of Judge Alex Kozinski for the Ninth Circuit Court of Appeals. Judge Kozinski graduated cum laude from UCLA in 1972. He graduated first in his class in law in 1975 at UCLA. He was law clerk to Judge Anthony M. Kennedy of the Ninth Circuit Court of Appeals in 1976. He was law clerk of Chief Justice Warren Burger in 1977. He served as assistant counsel in the Office of the Counsel to the President in 1981. He served as special counsel to the Merit Systems Protection Board from 1981 to 1982. He served as chief judge of the U.S. Claims Court from 1982 to the present. He is the chief judge now on the Claims Court.

Mr. President, there has been some charge here that he was overbearing with his employees. Three former employees of Alex Kozinski, the former attorney in charge of the Office of Special Counsel, the former attorney in charge of Hatch Act enforcement, and the Deputy Special Counsel, Merit Systems Protection Board, were unanimously of the opinion that while Judge Kozinski was special counsel they enjoyed an excellent working relationship with him. He was a man of good judgment, they said, a man of in-

tegrity and decisiveness. Judge Kozinski was demanding and set high standards for his staff but he was a very caring man for individuals.

Mr. President, I wish we had more Judge Kozinskis in this Government. He set high standards. Some of the employees maybe did not like that and they are the ones who are complaining. The people who admired him the most were those who were faithful employees and did a good job. We are proud of the service he rendered.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, the Constitution tells us to advise and consent the President on his nominations to the Federal court. It tells us to be active in that process, not to go along with the nominee but to give our best judgment, our best advice, and then decide whether or not to consent. This appointee has been nominated to the second highest court in the country. Not one person on the ABA board said that he was extremely well qualified or even well qualified, a majority said he was qualified, and a minority said he was unqualified, and that occurred prior to the hearings in this matter and the correspondence which has been exchanged between Judge Kozinski and Senators THURMOND, BIDEN, and myself.

We have a man here who is obviously academically qualified, who is hard working, smart, and so forth, but who woefully lacks, on a consistent basis, the judicial temperament, the fairness, the sensitivity and the compassion which we should all insist of our Federal judges.

Former employees describe him as cruel and harsh and sadistic. One of those employees say, "After 20 years of Federal personnel management experience I cannot recall a more callous disregard for people than Mr. Kozinski exhibited."

What did a Federal judge say in hearing a case following Judge Kozinski's termination of a 25-year veteran of Federal service who developed life-threatening heart disease? What did that Federal judge say about that action of Judge Kozinski? There is, "No discernible valid, legitimate, acceptable governmental interest in doing anybody this way."

Judge Kozinski circulated an editorial in an effort to gain support for this confirmation which unfairly smeared a group which opposed his nomination.

It is clearly a smear and it is clearly unfair, connecting them with an organization with which they are not connected, and have not been for 1½ years. Judge Kozinski said of Mary Eastwood, when she refused to accept an appointment to San Francisco to